

AGENDA
STATE OIL AND GAS BOARD OF ALABAMA
JUNE 16 & 18, 2014

The State Oil and Gas Board of Alabama will hold its regular hearing at 10:00 a.m. on Monday, June 16, 2014, in the Board Room of the State Oil and Gas Board, Walter B. Jones Hall, University of Alabama Campus, 420 Hackberry Lane, Tuscaloosa, Alabama, and Wednesday, June 18, 2014, in the Tensaw Theatre Room, Five Rivers Delta Resource Center, 30945 Five Rivers Blvd., Spanish Fort, Alabama, to consider, among other items, the following petition(s):

1. DOCKET NO. 4-1-14-02

Continued Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a non-governmental exceptional 160-acre wildcat drilling unit for the Linzy 6-8 #1 Well consisting of the North Half of the Southeast Quarter and the South Half of the Northeast Quarter of Section 6, Township 2 North, Range 13 East, Escambia County, Alabama, as an exception to Rule 400-1-2-.02(2)(b) of the *State Oil and Gas Board of Alabama Administrative Code*, which provides that such wells be drilled on units consisting of a governmental quarter section containing approximately 160 acres. This petition is filed pursuant to Section 9-17-1, *et seq.* of the *Code of Alabama* (1975), as amended.

2. DOCKET NO. 4-1-14-05

Continued Petition by GAS PROCESSORS, INC., a foreign corporation qualified to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving Gas Processors, Inc. as Operator of the Wildfork Gas Plant located in Section 7, Township 5 North, Range 7 East, Monroe County, Alabama, in accordance with Rule 400-1-2-.05 of the *State Oil and Gas Board of Alabama Administrative Code* and determining an appropriate security bond to be posted as to said operations. Gas Processors, Inc. avers that it is duly qualified to operate the Wildfork Gas Plant in a safe and prudent manner and in accordance with the rules and regulations of the State Oil and Gas Board of Alabama. The authority of the State Oil and Gas Board of Alabama is set forth in Section 9-17-1 *et seq.* of the *Code of Alabama* (1975).

3. DOCKET NO. 4-1-14-06

Continued Petition by GAS PROCESSORS, INC., a foreign corporation qualified to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving Gas Processors, Inc. as Operator of the Atmore Plant located in Section 2, Township 2 North, Range 6 East, Escambia County, Alabama, in accordance with Rule 400-1-2-.05 of the *State Oil and Gas Board of Alabama Administrative Code* and determining an appropriate security bond to be posted as to said operations. Gas Processors, Inc. avers that it is duly qualified to operate the Atmore Plant in a safe and prudent manner and in accordance with the rules and regulations of the State Oil and Gas Board of Alabama. The authority of the State Oil and Gas Board of Alabama is set forth in Section 9-17-1 *et seq.* of the *Code of Alabama* (1975).

4. DOCKET NO. 5-6-14-02A

Amended Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving an exceptional location for the proposed Martin 17-1 No. 1 Well to be drilled on a 152-acre unit to consist of the South Half of the Southeast Quarter less four (4) acres in the Southeast corner thereof of Section 8 and the North Half of the Northeast Quarter less four (4) acres in the Northeast corner thereof of Section 17, Township 10 North, Range 2 West, in the Womack Hill Field, Choctaw County, Alabama. The location of the proposed well will be 1166 feet from the South line and 207 feet from the East line of the exterior boundaries of the 152-acre unit and is an exception to Rule 4 (a) (3) of the Special Field Rules for the Womack Hill Field which requires wells to be at least 510 feet from the exterior boundaries of a unit.

This Petition is in accordance with Section 9-17-12(c) of the *Code of Alabama* (1975), as amended, which provides for the drilling of wells at exceptional locations.

This Petition was filed as a companion to a Petition bearing Docket No. 5-6-14-03 requesting the approval of a 152-acre production unit for the proposed Martin 17-1 No. 1 Well. The Board on May 9, 2014 in Order No. 2014-36 granted the Petition requesting the 152-acre production unit. Further, this Petition was filed as a companion to a Petition bearing Docket No. 5-6-14-01 requesting that all tracts and interests in hydrocarbons produced from the proposed Martin 17-1 No. 1 Well be force pooled with the imposition of a risk compensation penalty. The Board on May 9, 2014 in Order No. 2014-35 granted the Petition force pooling all tracts and interests in the Martin 17-1 No. 1 Well with the imposition of a risk compensation penalty.

5. DOCKET NO. 5-6-14-06

Continued Petition by NATURAL GAS & OIL, INC., an Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an Order approving the 320-acre drilling unit for the Weyerhaeuser 34-2 No. 1 Well, Permit No. 10319-A, consisting of the North Half of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama, as a 320-acre production unit to consist of the North Half of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 5-6-14-07 requesting that Rule 1 of the Special Field Rules for the Asbury Church Field be amended to include all of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama.

6. DOCKET NO. 5-6-14-07

Continued Petition by NATURAL GAS & OIL, INC., an Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an Order amending Rule 1 of the Special Field Rules for the Asbury Church Field to include all of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama in the Field Limits of that Field.

This Petition is filed as a companion to a Petition under Docket No. 5-6-14-06 requesting that the 320-acre drilling unit for the Weyerhaeuser 34-2 No. 1 Well be approved as a 320-acre production unit consisting of the North Half of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama.

7. DOCKET NO. 5-6-14-08

Continued Petition by NATURAL GAS & OIL, INC., an Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an Order approving the 40-acre drilling unit for the Weyerhaeuser 34-12 No. 1 Well, Permit No. 10405-A, as a 40-acre production unit. Petitioner requests that the 40-acre drilling unit for said Weyerhaeuser 34-12 No. 1 Well, consisting of the Northwest Quarter of the Southwest Quarter of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama, be approved as a 40-acre production unit to consist of the Northwest Quarter of the Southwest Quarter of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama.

This Petition is filed as a companion to a Petition under Docket No. 5-6-14-09 requesting that a new oil field be established in Lamar County, Alabama, to be known as the Asbury Church Oil Field.

8. DOCKET NO. 5-6-14-09

Continued Petition by NATURAL GAS & OIL, INC., a Alabama corporation, requesting the State Oil and Gas Board of Alabama to enter an Order to (i) establish a new oil field in Lamar County, Alabama, to be known as the Asbury Church Oil Field, or such other name as the Board may deem appropriate, (ii) adopt Special Field Rules for said new oil field, (iii) establish field limits for the new oil field and (iv) establish allowables for said field.

Petitioner requests that the proposed Asbury Church Oil Field be approved and established to consist of the Northwest Quarter of the Southwest Quarter of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama, as underlain by the Sanders Oil Pool, as defined below, including all strata that can be correlated therewith, all zones in communication therewith and all productive extensions thereof.

Petitioner requests that the Sanders Oil Pool in the proposed Asbury Church Oil Field be defined as those strata productive of hydrocarbons between the interval of 4,654 feet measured depth (MD) and 4,700 feet (MD) as indicated on the Halliburton Spectral Density Dual Spaced Neutron Log for the Weyerhaeuser 34-12 No. 1 Well, Permit No. 10405-A, and all zones in communication therewith, all productive extensions thereof and all strata which can be correlated therewith.

Petitioner further requests spacing units of 40 contiguous surface acres and a production allowable of 150 barrels of oil per day for wells drilled in the field.

This Petition is filed as a companion to a Petition under Docket No. 5-6-14-08 requesting that the 40-acre drilling unit for the Weyerhaeuser 34-12 No. 1 Well be approved as a 40-acre production unit consisting of the Northwest Quarter of the Southwest Quarter of Section 34, Township 16 South, Range 16 West, Lamar County, Alabama.

9. DOCKET NO. 5-6-14-15

Continued Petition by VENTEX OPERATING CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Monroe County, Alabama, to be named the Scott Lake Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field consists of the East Half of the Southeast Quarter of Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama, underlain by the Norphlet Oil Pool.

The Norphlet Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 14,410 feet measured depth (MD) and 14,574 feet measured depth (MD) as indicated on the ThruBit Induction Log of the Craft-Ash 11-16 #1 Well, Permit No. 16902-B, located in the Southeast Quarter of Section 11, Township 5 North, Range 4 East, Monroe County, Alabama, and all zones in communication therewith and all productive extensions thereof.

Petitioner has filed a companion petition bearing Docket No. 5-6-14-16 requesting to reform the 40-acre wildcat drilling unit for the Craft-Ash 11-16 #1 Well to a 160-acre production unit in the proposed Scott Lake Field consisting of the East Half of the Southeast Quarter of Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama.

Petitioner requests well spacing of 160 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the proposed reformed 160-acre unit described hereinabove for the Craft-Ash 11-16 #1 Well be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, *et seq.*, of the *State Oil and Gas Board of Alabama Administrative Code*.

10. DOCKET NO. 5-6-14-16

Continued Petition by VENTEX OPERATING CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the Craft-Ash 11-16 #1 Well, Permit No. 16902-B, consisting of the Southeast Quarter of the Southeast Quarter of Section 11, Township 5 North, Range 4 East, Monroe County, Alabama, to a 160-acre production unit to consist of the East Half of the Southeast Quarter of Section 11; Southwest Quarter of Northwest Quarter of Southwest Quarter and West Half of Southwest Quarter of Southwest Quarter of Section 12; Northwest Quarter of Northwest Quarter of Northwest Quarter of Section 13; and Northeast Quarter of Northeast Quarter of Section 14, all in Township 5 North, Range 4 East, Monroe County, Alabama, in the proposed Scott Lake Field.

This Petition is filed as a companion to a Petition bearing Docket No. 5-6-14-15 requesting that a new oil field be established in Monroe County, Alabama, to be known as the Scott Lake Field.

11. DOCKET NO. 6-16-14-01

Petition by ANKOR E&P HOLDINGS CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to (i) establish a new oil field in Escambia County, Alabama, to be known as the "Hammac Field," or such other name as the Board may deem appropriate; (ii) adopt special field rules for the new oil field, which establish spacing requirements and production allowables for wells drilled in the field; and (iii) establish field limits for the new oil field.

Petitioner requests that the proposed Hammac Field be approved and established to consist of the South half of the North half of the Southwest Quarter and the South half of the Southwest Quarter of Section 14, Township 2 North, Range 8 East; and the North half of the North half of the Northwest Quarter of Section 23, Township 2 North, Range 8 East, all in Escambia County, Alabama, as underlain by the Norphlet oil pool, as defined below, including all strata that can be correlated therewith, all zones in communication therewith and all productive extensions thereof.

Petitioner further requests that the Norphlet oil pool in the proposed Hammac Field be defined as those strata of the Norphlet formation productive of hydrocarbons in the interval between 14,958 feet and 14,978 feet MD in the Craft-H.H. Wefel III Trust 14-14 #1 Well, Permit No. 16894-B, with a surface location of 1,040 feet FWL and 552 feet FSL of Section 14, Township 2 North, Range 8 East, Escambia County, Alabama, as defined by the Schlumberger Platform Express Log for the Well, including all strata that can be correlated therewith, all zones in communication therewith and all productive extensions thereof.

Petitioner further requests spacing units of 160 contiguous surface acres and production allowables of 250 barrels of oil per day for wells drilled in the field.

The Petition is filed pursuant to Section 9-17-1 *et seq.*, *Code of Alabama 1975*, and other oil and gas conservation laws of the State of Alabama.

This Petition is filed as a companion to a Petition requesting that the Board reform the 40-acre wildcat drilling unit for the Craft-H.H. Wefel III Trust 14-14 #1 Well, Permit No. 16894-B, and approve and establish a 160-acre production unit for the Well consisting of the South half of the North half of the Southwest Quarter and the South half of the Southwest Quarter of Section 14, Township 2 North, Range 8 East; and the North half of the North half of the Northwest Quarter of Section 23, Township 2 North, Range 8 East, all in Escambia County, Alabama

12. DOCKET NO. 6-16-14-02

Petition by ANKOR E&P HOLDINGS CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to reform the 40-acre wildcat drilling unit for the Craft-H.H. Wefel III Trust 14-14 #1 Well, Permit No. 16894-B (the "Well"), to a 160-acre production unit.

Petitioner proposes to reform the 40-acre wildcat drilling unit for the Well consisting of the Southeast Quarter of the Southwest Quarter of Section 14, Township 2 North, Range 8 East, Escambia County, Alabama, to a 160-acre production unit consisting of the South half of the North half of the Southwest Quarter and the South half of the Southwest Quarter of Section 14, Township 2 North, Range 8 East; and the North half of the North half of the Northwest Quarter of Section 23, Township 2 North, Range 8 East, all in Escambia County, Alabama.

Petitioner requests that the Board approve and establish the proposed 160-acre production unit in accordance with the provisions of Sections 9-17-12(b), *Code of Alabama 1975*, relating to the establishment of drainage and production units, and other oil and gas conservation laws of the State of Alabama.

This Petition is filed as a companion to a Petition requesting that the Board establish a new oil field in Escambia County, Alabama, to be known as the "Hammac Field," which will encompass the proposed 160-acre production unit for the Well.

13. DOCKET NO. 6-16-14-03

Petition by Mississippi Resources, LLC, doing business as MSR Operating, LLC, a Delaware limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending Rule 2 and Rule 3 of the Special Field Rules for the Southeast Chatom Field, Washington County, Alabama, to provide that a well may be drilled on a unit consisting of Three Hundred Twenty (320) contiguous surface acres upon which no other drilling or producible well is located in the same pool. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Special Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

14. DOCKET NO. 6-16-14-04

Petition by Mississippi Resources, LLC, doing business as MSR Operating, LLC, a Delaware limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1, et seq. CODE OF ALABAMA (1975), Rule 400-7-1-.01, et seq. of the State Oil and Gas Board of Alabama Administrative Code, and proposed Rule 3 of the Special Field Rules for the Southeast Chatom Field reforming the production unit for the Scott "A" 33-1 #1 Well, Permit No. 5100, from a 640-acre unit consisting of the East Half of Section 33 and the West Half of Section 34, Township 6 North, Range 4 West, to a 320-acre production unit comprised of the East Half of Section 33, Township 6 North, Range 4 West, Washington County, Alabama, in the Southeast Chatom Field. Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another well in the lands proposed to be eliminated from the current unit by formation of an additional 320 acre unit comprised of the West Half of said Section 34, Township 6 North, Range 4 West, Washington County, Alabama. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In this Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

15. DOCKET NO. 6-16-14-05

Petition by Mississippi Resources, LLC, doing business as MSR Operating, LLC, a Delaware limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, for the Scott "A" 33-1 #1 Well, at its present bottom hole location of 40 feet from the east line and 652 feet from the north line of a proposed 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Southeast Chatom Field, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

This Petition is filed as a companion Petition to Docket No. 6-16-14-04 requesting that the unit for said well be reformed to a new 320-acre unit consisting of the East Half of Section 33, Township 6 North, Range 4 West, Washington County. After said unit is reformed, said well will be located 40 feet from the east line and 652 feet from the north of the unit, as reformed.

16. DOCKET NO. 6-16-14-06

Petition by Mississippi Resources, LLC, doing business as MSR Operating, LLC, a Delaware limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving an exception to the spacing requirements as set out in Rule 3 of the Special Field Rules for the Southeast Chatom Field, so as to allow the Petitioner to drill the proposed Scott "A" 34-5 #2 Well, with a proposed bottom hole location to be no closer than 330 feet from the west line of the unit and no closer than 660 feet from the north line of the 320-acre unit for said Scott "A" 34-5 #2 Well, which is comprised of the West Half of Section 34, Township 6 North, Range 4 West, Washington County, Alabama in the Southeast Chatom Field. Presently the Special Field Rules for the Southeast Chatom Field provide 640-acre spacing. In a related Petition Mississippi Resources, LLC is requesting the Board to Amend the Field Rules to reduce the spacing to 320 acres. Under the proposed Rule 3, Petitioner proposes to amend the Special Field Rules for Southeast Chatom Field to reduce the well spacing to 320 acres and to provide for setbacks of 660 feet. Further, under the proposed Rule 3, the operator must show to the Board that all interests in the 640 acre unit have agreed to reform the unit to 320 acres and to drill an additional well.

This Petition is filed pursuant to Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

17. DOCKET NO. 6-16-14-07

Petition by SKLAR EXPLORATION COMPANY L.L.C. requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling without risk compensation all tracts and interests in the Northwest Quarter of Section 4, Township 5 North, Range 14 East, Covington County, Alabama, as a 160-acre wildcat drilling unit (the "Unit") for the purpose of drilling a well to test formations down to and including the Smackover and Norphlet formations, (b) requiring all owners of tracts and interests in the Unit to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of the Unit. This petition is filed pursuant to Ala. Code Sections 9-17-1, et seq. (and, in particular, Ala. Code Section 9-17-13 as amended) and Rules 400-1, et seq. (and, in particular, Rules 400-7-1 and 400-7-2) of the State Oil and Gas Board of Alabama Administrative Code.

18. DOCKER NO. 6-16-14-08

Petition by UNION OIL COMPANY OF CALIFORNIA, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Rule 400-1-4-.17(1) of the *State Oil and Gas Board of Alabama Administrative Code* and Section 9-17-1, et seq. of the *Code of Alabama* (1975), as amended, extending the temporarily abandoned status for the following wells located Mobile County, Alabama, in the Chunchula Fieldwide Unit, for a period of one (1) year, as said wells have future utility and should not be plugged:

| <u>Well Name</u> | <u>Permit No.</u> | <u>Location</u> |
|---------------------------------|-------------------|-----------------|
| Roy J. Smith et al 6-10 #1A | 2355-B | S6-T1S-R1W |
| Annie M. Hill 8-7 #1 | 13619 | S8-T1S-R2W |
| C.P. Newman 17-11 #1 | 2739 | S17-T1S-R1W |
| R.J. Newman 7-7 #1A | 2233-B-2 | S7-T1S-R1W |
| International Paper Co. 24-11#1 | 2119-B | S24-T1S-R2W |
| E.M. Maddox 26-12 #1 | 11629-B-1 | S26-T1S-R2W |
| E.M. Maddox 26-7 #1 ST 02 | 2310-B-2 | S26-T1S-R2W. |

Petitioner requests an extension of the shut-in status for certain wells located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, in the following areas, for a period of one (1) year, in accordance with Rule 400-1-4-.17(2) of the *State Oil and Gas Board of Alabama Administrative Code*, as said wells are capable of producing and should not be plugged:

| <u>Well Name</u> | <u>Permit No.</u> | <u>Location</u> |
|---------------------------------|-------------------|-----------------|
| E.L. Maples 24-16 #1 | 3193 | S24-T1S-R2W |
| Della M. Waltman 15-10 #1 | 2758 | S15-T1S-R2W |
| Arthur R. Outlaw 34-15 #1 | 4692 | S34-T1S-R2W |
| International Paper Co. 25-6 #1 | 2234 | S25-T1S-R2W |
| George Radcliff 19-11 #2 ST | 2295-B-2 | S19-T1S-R1W |
| I.L. Wright 28-7 #1 | 2322 | S28-T1S-R2W |
| International Paper Co. 24-4 #1 | 3206 | S24-T1S-R2W. |

Petitioner requests approval of temporarily abandoned status for the following well located in Mobile County, Alabama, in the Chunchula Fieldwide Unit, for a period of one (1) year, in accordance with Rule 400-1-4-.17 (1) of the *State Oil and Gas Board of Alabama Administrative Code* because said well has future utility and should not be plugged:

| | | |
|--------------------------|----------|--------------|
| E.T. Stapleton 27-7 #1ST | 2120-B-1 | S27-T1S-R2W. |
|--------------------------|----------|--------------|

19. DOCKET NO. 6-16-14-09

Petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Chevron U.S.A. Inc., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving shut-in status for the Hatter's Pond Unit 28-2 #2 Well, Permit No. 8889, located in Section 28, Township 2 South, Range 1 West, Mobile County, Alabama, in the Hatter's Pond Unit, for one year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

Petitioner further requests that the Board extend the shut-in status for the following wells located in Mobile County, Alabama, in the Hatter's Pond Unit, for one year, in accordance with Rule 400-1-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code because said wells are capable of producing and should not be plugged:

| Well Name | Permit No. | Location |
|----------------------------|------------|--------------|
| Hatter's Pond Unit 2-3 #1 | 16543-B | S2-T2S-R1W |
| Hatter's Pond Unit 3-9 #1 | 4705 | S3-T2S-R1W |
| Hatter's Pond Unit 15-3 #1 | 10453 | S15-T2S-R1W. |

Petitioner further requests that the Board extend the temporarily abandoned status for certain wells located in Mobile County, Alabama, in the Hatter's Pond Unit, in the following areas, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said wells have future utility and should not be plugged:

| Well Name | Permit No. | Location |
|------------------------------|------------|--------------|
| Hatter's Pond Unit 10-2 #1ST | 4894-B | S10-T2S-R1W |
| Hatter's Pond Unit 21-15 #1 | 3697 | S21-T2S-R1W |
| Hatter's Pond Unit 33-16 #1 | 3451-B | S33-T1S-R1W |
| Hatter's Pond Unit 3-1 #1 | 4706 | S3-T2S-R1W |
| Hatter's Pond Unit 35-11 #3 | 3277 | S35-T1S-R1W. |

20. DOCKET NO. 6-16-14-10

Petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the shut-in status for twenty-eight (28) wells, all located in Bibb and Shelby Counties, Alabama, in the Gurnee Coal Degasification Field, in the following townships, for a period of one (1) year, pursuant to Rule 400-3-4-.17(2) of the State Oil and Gas Board of Alabama Administrative Code:

Township 22 South, Range 4 West, Bibb County
Sections 18 and 19

Township 22 South, Range 5 West, Bibb County
Sections 13, 23, 24 and 25

Township 21 South, Range 3 West, Shelby County
Section 7

Township 21 South, Range 4 West, Shelby County
Sections 1, 2, 11, 21, 23, 26, 34 and 35.

Said wells are capable of producing and should not be plugged, and they are monitored and are in a safe condition.

21. DOCKET NO. 6-16-14-11

Petition by PRUET PRODUCTION CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Ala. Code § 9-17-1, et seq. (and, in particular, Ala. Code § 9-17-13) and State Oil and Gas Board of Alabama Administrative Code Rules 400-1, et seq. (and, in particular, Rules 400-7-1 and 400-7-2), force pooling, without risk compensation, all tracts and interests in hydrocarbons produced in the Nielsen 19-15 #1 Well to be drilled on a 160-acre production unit in the Little Cedar Creek Field consisting of the Southeast Quarter of Section 19, Township 4 North, Range 13 East, Conecuh County, Alabama, and requiring all owners of tracts and interests in said unit to develop their tracts and interests as a unit, and appointing Petitioner as the operator of said unit.

22. DOCKET NO. 6-16-14-12

Petition by Texas Petroleum Investment Company, Inc., a Texas corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order, pursuant to Section 9 17 1, et seq, ALABAMA CODE and Rule 400 1 4-.17 of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned

status of the Chavers Creek Norphlet 1-1-1 Well, Permit No. 5474, located in the Northeast Quarter of the Northeast Quarter of Section 1, Township 1 North, Range 8 East, in the Chavers Creek Field, Escambia County, Alabama.

23. DOCKET NO. 6-16-14-13

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order amending Rule 1 of the Special Field Rules for the Clear Creek Field to add the North Half of the South Half of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama to the field limits of said field.

This petition is filed as a companion to a petition bearing Docket No. 6-16-14-14 requesting to reform the 160-acre unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, to a 240-acre production and a petition bearing Docket No. 6-16-14-15 requesting to reform the 160-acre unit for the Cedar Creek Land & Timber 17-15 #1 Well, Permit No. 16949-B, to a 240-acre production unit, all in accordance with the 50% tolerance allowed by Section 9-17-12 of the Code of Alabama (1975), as amended.

24. DOCKET NO. 6-16-14-14

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to reform the 160-acre production unit for the Cedar Creek Land & Timber 17-14 #1 Well, Permit No. 16759, consisting of the South Half of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, to a 240-acre production unit consisting of the Southwest Quarter of Section 17 and the North Half of the Northwest Quarter of Section 20, Township 2 North, Range 12 East, Escambia County, Alabama, in accordance with the 50% tolerance allowed by Section 9-17-12 (b) of the Code of Alabama 1975, as amended.

Section 9-17-12(b) of the Code of Alabama 1975, as amended, authorizes the Board to grant units in excess of 160 acres when it is demonstrated that one well can efficiently and economically drain the proposed area and that a larger unit is justified because of technical, economic, environmental or safety considerations, or other reasons deemed valid by the Board. Said 240-acre unit would be an exception to Rule 3(a) of the Special Field Rules for the Clear Creek Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 6-16-14-13 requesting that the North Half of the South Half of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

25. DOCKET NO. 6-16-14-15

Petition by FAIRWAYS EXPLORATION & PRODUCTION, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to reform the 160-acre production unit for the Cedar Creek Land & Timber 17-15 #1 Well, Permit No. 16949-B, consisting of the South Half of the Southeast Quarter of Section 17 and the North Half of the Northeast Quarter of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, in the Clear Creek Field, to a 240-acre production unit consisting of the Southeast Quarter of Section 17 and the North Half of the Northeast Quarter of Section 20, Township 2 North, Range 12 East, Escambia County, Alabama, in accordance with the 50% tolerance allowed by Section 9-17-12 (b) of the Code of Alabama 1975, as amended.

Section 9-17-12(b) of the Code of Alabama 1975, as amended, authorizes the Board to grant units in excess of 160 acres when it is demonstrated that one well can efficiently and economically drain the proposed area and that a larger unit is justified because of technical, economic, environmental or safety considerations, or other reasons deemed valid by the Board. Said 240-acre unit is an exception to Rule 3(a) of the Special Field Rules for the Clear Creek Field.

The mineral ownership is common in the South Half of Section 17 and the North Half of the North Half of Section 20, all in Township 2 North, Range 12 East, Escambia County, Alabama, and said common mineral ownership extends beyond and is contiguous and, all together, includes more than 560 acres.

Petitioner has filed a companion petition bearing Docket No. 6-16-14-13 requesting that the North Half of the South Half of Section 17, Township 2 North, Range 12 East, Escambia County, Alabama, be added to the field limits for the Clear Creek Field.

26. DOCKET NO. 6-16-14-16

Petition by PRUET PRODUCTION CO., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Conecuh County, Alabama, to be named the Feagin Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field

consists of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, underlain by the Smackover Oil Pool.

The Smackover Oil Pool in said Field is defined as those strata productive of hydrocarbons between the interval of 12,106 feet measured depth (MD) and 12,222 feet measured depth (MD) as indicated on the Quad Combo Log of the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, and all zones in communication therewith and all productive extensions thereof.

Petitioner has filed a companion petition bearing Docket No. 6-16-14-17 requesting to reform the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well to an 80-acre production unit in the proposed Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama.

Petitioner requests well spacing of 80 acres, and also requests the establishment of production allowables for said field. Additionally, Petitioner requests that the proposed reformed 80-acre unit described hereinabove for the U.L. Jones 28-7 #1 Well be approved as the permanent production unit for said well.

This petition is filed pursuant to Rule 400-1-1-.07 and Rule 400-7-1, et seq., of the State Oil and Gas Board of Alabama Administrative Code.

27. DOCKET NO. 6-16-14-17

Petition by PRUET PRODUCTION CO., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order reforming the 40-acre wildcat drilling unit for the U.L. Jones 28-7 #1 Well, Permit No. 16852-B, consisting of the East Half of the Southeast Quarter of the Northwest Quarter and the West Half of the Southwest Quarter of the Northeast Quarter of Section 28, Township 4 North, Range 12 East, Conecuh County, Alabama, to an 80-acre production unit in the Feagin Creek Field consisting of the Southeast Quarter of Northwest Quarter and Southwest Quarter of Northeast Quarter of said Section 28.

This petition is filed as a companion to a petition bearing Docket No. 6-16-14-16 requesting to establish the Feagin Creek Field.

28. DOCKET NO. 6-16-14-18

Petition by Texas Petroleum Investment Company, Inc., a Texas corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order, pursuant to Section 9 17 1, et seq, ALABAMA CODE and Rule 400 1 4-.17 of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status of the Tocumen et al. 1-3-1 Well, Permit No. 4060, located in a 40 acre unit described as the South Half of the North Half of the Northeast Quarter of the Northwest Quarter; the South Half of the Northeast Quarter of the Northwest Quarter; and the North Half of the North Half of the Southeast Quarter of the Northwest Quarter of Section 1, Township 1 North, Range 8 East, Escambia County, Alabama.

29. DOCKET NO. 6-16-14-19

Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling, with the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in the proposed Guy 9-7 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Northeast Quarter of Section 9, Township 9 North, Range 1 West, Clarke County, Alabama.

This Petition is in accordance with Section 9-17-13, Code of Alabama, (1975), as amended, and Rule 400-7-2-.01 of The State Oil and Gas Board of Alabama Administrative Code.

30. DOCKET NO. 6-16-14-20

Petition by BAY GAS STORAGE COMPANY, LTD. ("Petitioner"), an Alabama limited partnership whose general partner is Sempra Midstream Inc., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama ("Board") enter an order: amending the Special Gas Storage Rules for the Bay Gas Salt Dome Gas Storage Facility # 5 at McIntosh, which is located in the Southeast Quarter of the Southeast Quarter of Section 36, T4N, R1W, Washington County, Alabama, and which includes a buffer zone extending into the Southwest Quarter of the Southeast Quarter of said Section 36 and into the Northeast Quarter of Section 1, T3N, R1W, Washington County, Alabama, said amendment to revise the description of the Cavity Site for the Facility. The Bay Gas Salt Dome Gas Storage Facility # 5 at McIntosh was heretofore established and approved by the Board in Order No. 2010-58, and Petitioner was appointed as the Operator of the Facility by that order. This petition is filed in accordance with the provisions of Ala. Code Sections 9-17-150 et seq., State Oil and Gas Board of Alabama Administrative Code Rules 400-6-1 et seq. and Rules 400-7-1 et seq., and Rule 1 of the Special Gas Storage Rules for the Bay Gas Salt Dome Gas Storage Facility # 5 at McIntosh (as amended).

31. DOCKET NO. 7-20-10-07

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, S. Lavon Evans Jr., Operating Co., Inc., to show cause why the following wells located in Tuscaloosa, Lamar, Pickens, and Jefferson Counties, Alabama, and described hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells and the well sites and associated tank battery sites restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location.

The Board may consider, as a part of this Motion, that the proceeds from the surety bond be utilized to plug and abandon wells and restore well sites.

Failure of the operator to comply with the Board's rules, regulations, and orders may result in the Board's issuing fines or taking other sanctions against operator, S. Lavon Evans Jr., Operating Co., Inc.

County Line Field Well, Pickens Co.

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|-------------------|-----------------|
| 11797 | Holliman 36-10 #1 | S36, T17S, R14W |
| 11865 | Williamson 1-1 #1 | S1, T18S, R14W |

SE Watson Field Wells, Lamar Co.

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|------------------|-----------------|
| 12548 | Collins 12-11 #1 | S12, T15S, R15W |
| 12919 | Gearn 14-1 #1 | S14, T15S, R15W |

Wiley Dome Field Wells, Lamar Co.

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|-------------------|-----------------|
| 9986-A | Holman 34-10 #1 | S34, T17S, R9W |
| 13041 | Holman 35-6 #1 | S35, T17S, R9W |
| 13042 | Shepherd 35-16 #1 | S35, T17S, R9W |
| 13310-BH | Holman 34-10 #2 | S34, T17S, R9W |
| 13311 | Alawest 34-13 #1 | S34, T17S, R9W |
| 13905 | Earnest 26-14 #1 | S26, T17S, R9W |

Lamar County Wildcats

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|------------------|-----------------|
| 13640 | Gartman 2-4 #1 | S2, T17S, R16W |

Tuscaloosa County Wildcats

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|---------------------------------|-----------------|
| 13133 | Earnest 26-15 #1 | S26, T17S, R9W |
| 13307 | Christian 3-8 #1 | S3, T18S, R9W |
| 13384 | Champion International 35-13 #1 | S35, T17S, R9W |
| 13387 | Alawest 2-3 #1 | S2, T18S, R9W |
| 13388 | Bane 36-14 #1 | S36, T17S, R9W |
| 13680 | Bolton 1-4 #1A | S1, T18S, R9W |
| 13710 | Champion International 3-10 #1 | S3, T18S, R9W |
| 13711 | Alawest 1-12 #2 | S1, T18S, R9W |

Jefferson County Wildcat

| <u>Permit No.</u> | <u>Well Name</u> | <u>Location</u> |
|-------------------|---------------------------------|-----------------|
| 13389 | U.S. Steel Corporation 21-13 #1 | S21, T19S, R5W |

32. DOCKET NO. 10-22-13-20

Motion by the State Oil and Gas Board of Alabama to address the fine issued by the Board in Order No. 2013-121. On December 12, 2013, the Board issued a fine of \$10,000 per day against Delphi Oil, Inc., for the JV-P Jordan 33-8 #1 Well (Permit No. 10600) and

the 9216 JV-P Hill 34-3 #1 Well (Permit No. 10727-B) located in Monroe County, Alabama. The authority of the State Oil and Gas Board of Alabama is set forth in Section 9-17-1 et seq. of the *Code of Alabama* (1975), as amended.

Hearings of the State Oil and Gas Board are public hearings, and members of the public are invited to attend and present their position concerning petitions. Requests to continue or oppose a petition should be received by the Board at least two (2) days prior to the hearing. The public should be aware that a petition may be set for hearing on the first day or second day of the hearing or may be continued to another hearing at a later date. We suggest, therefore, that prior to the hearing, interested parties contact the Board to determine the status of a particular petition. For additional information, you may contact the State Oil and Gas Board, P. O. Box 869999, Tuscaloosa, Alabama 35486-6999, Telephone Number (205) 349-2852, Fax Number (205) 349-2861, or by email at petitions@ogb.state.al.us.